

February 23, 1939.

Mr. William (Bill) Peterson,  
State Treasurer,  
Phoenix, Arizona.

**LAW LIBRARY**  
**ARIZONA ATTORNEY GENERAL**

Dear Mr. Peterson:

We have your letter of February 7th, in which you state that the First National Bank of Arizona holds certain Territorial Funding Bonds issued July 15, 1904, and that these bonds were called for payment on July 15, 1936, and that through an error interest was paid on the bonds subsequent to the date of call for payment, and that the Bank now demands payment of the face value of the bonds without deducting the payments made since the call.

It is the opinion of this office that if the bonds were regularly called for payment as provided by law, (Section 2653, R.C.A 1928) that you should offset any payments made as and for interest on the bonds subsequent to the call date. The Statute above cited provides that after bonds have been called they shall not bear interest and if a payment was erroneously made as and for interest on the bond after the call, the ordinary rules of set-off would apply, and that such payments should be treated as payments upon the principal of the bonds.

Very truly yours,

JOE CONWAY,  
Attorney General

EARL ANDERSON, ✓  
Special Assistant  
Attorney General.